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Letter dated 31 January 2006 from the Permanent Representative of China to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the Beijing Declaration on Hydropower and Sustainable Development, which was adopted at the United Nations Symposium on Hydropower and Sustainable Development, held in Beijing from 27 to 29 October 2004 (see annex).

I should be grateful if you would have the present letter and its annex issued as a document of the fourteenth session of the Commission on Sustainable Development.

(*Signed*) **Wang** Guangya
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Annex to the letter dated 31 January 2006 from the Permanent Representative of China to the United Nations addressed to the Secretary-General

Beijing Declaration on Hydropower and Sustainable Development

1. We, the representatives of national and local governments, representatives of utilities and the private sector, United Nations agencies, multilateral financial institutions, other international organizations, non-governmental organizations, the scientific community and academia and international industry associations, having met at the United Nations Symposium on Hydropower and Sustainable Development, held in Beijing from 27 to 29 October 2004, reaffirm our shared resolve to achieve the Millennium Development Goals and the sustainable development goals and targets contained in Agenda 21 and the Johannesburg Plan of Implementation.

2. We reiterate that access to energy is essential to achieving sustainable development and is critical for meeting the Millennium Development Goals and the Johannesburg Plan of Implementation targets and commitments.

3. Noting with concern that two billion people do not have access to electricity, we call upon all stakeholders to work in concert to deliver energy services to all in a reliable, affordable and economically viable, socially acceptable and environmentally sound manner.

4. We emphasize that improving access to energy will generate opportunities for economic growth, enhanced education, better health care, more training and employment, as well as higher productivity in business, thereby contributing to sustained poverty reduction.

Strategic importance of hydropower for sustainable development

5. Recalling that the Johannesburg Plan of Implementation calls for a diversification of energy supply and a significant increase in the global share of energy from renewable energy sources, including hydropower, we note that hydropower offers potential for contributing to those goals.

6. We further recall that the Political Declaration adopted at the International Conference for Renewable Energies, held in Bonn from 1 to 4 June 2004, acknowledged that renewable energies, including hydropower, combined with enhanced energy efficiency, can contribute to sustainable development, to providing access to energy, especially for the poor, and to mitigating greenhouse gas emissions.

7. Hydropower represents an important source of energy, accounting for some 20 per cent of world electricity supply. Hydropower has made a contribution to development, as shown in the experience of developed countries where the majority of technically and economically feasible hydropower potential has been exploited, and in some developing countries, where hydropower has contributed to poverty reduction and economic growth through regional development and expansion of industry. In this regard, we note that two thirds of economically viable hydropower potential is yet to be tapped and that 90 per cent of this potential is in developing

countries. In Africa, less than 5 per cent of such potential has been developed. We agree that the large remaining potential in developing countries, as well as in countries with economies in transition, can be harnessed to bring benefits to these countries, bearing in mind that the world's poor use only one twenty-fifth of the energy consumed by the world's rich.

8. While we are convinced of the need to develop sustainable hydropower, along with other options, including the rehabilitation of existing facilities and the addition of hydropower to present and future water management systems, we emphasize that such development should be sustainable from the social, economic and environmental standpoints.

9. We underscore the importance of an integrated approach to dam construction, bearing in mind that aside from generating electricity, dams often perform multiple functions, including supplying water for irrigation, industrial production and residential use, as well as flood prevention and habitat maintenance. We note with concern that demands for water in these areas are already on the rise and that competition for water resources is most likely to intensify in future.

Promoting hydropower development that is environmentally friendly, socially responsible and economically viable

10. Having heard expert presentations on the social and environmental aspects, we acknowledge that progress has been made by Governments, financing agencies and industry in developing policies, frameworks and guidelines that are relevant to individual country contexts for evaluation of environmental and social impacts of hydropower, for mitigation of such impacts and for addressing the concerns of vulnerable communities affected by hydropower development. We also note the many instances of good practice presented and call on Governments and the hydropower industry to disseminate good practice, policies, frameworks and guidelines and to build on them to mainstream hydropower development that is economically, socially and environmentally sustainable.

11. With respect to social aspects, we note that the key ingredients of successful resettlement include minimization of resettlement, commitment to the objectives of the resettlement by the developer, rigorous resettlement planning with the full participation of affected communities, with particular attention to vulnerable communities. We are encouraged by the trend of some Governments to go beyond good practice resettlement by providing benefit-sharing with host communities and call on Governments to consider incorporating such approaches in their legal and regulatory frameworks. We further call upon Governments and regional and local authorities to accord special consideration to culturally sensitive areas.

12. With respect to environmental impacts, we recognize that some hydropower projects have had substantial adverse impacts on the environment. Rigorous environmental impact assessment and mitigation and management plans are an essential part of sustainable hydropower development. We note that norms are now in place for such assessments and planning, but that rigorous application of such norms is not universal. We call on project owners and Governments to strive for good practice in this important area.

13. We call upon Governments to put in place procedures that emphasize the need to plan hydropower developments in a river basin context and in the context of the full range of alternatives for energy production and that planning should give due weight to environmental and social factors, as well as to economic and financial factors.

Hydropower development: investment challenges and opportunities

14. Noting that hydropower projects are highly capital intensive, we call for tangible action to assist developing countries to finance sustainable hydropower. Such assistance should include both conventional multilateral and bilateral loans and guarantees, credits and grants as appropriate to the level of development of the country concerned.

15. Further noting that four fifths of investment in hydropower in developing countries in the 1990s was financed by the public sector, we recognize the World Bank and regional development banks' plans to re-engage in financing sustainable hydropower projects.

16. We urge Governments to create a favourable environment to attract investment for co-financing sustainable hydropower projects. We further urge Governments to establish and strengthen a transparent regulatory framework for private investment, both domestic and international, in hydropower development.

17. Developing country Governments at the meeting call on bilateral agencies to also re-engage in sustainable hydropower development.

Hydropower and sustainable development: the way forward

18. Having considered the social, economic and environmental dimensions of hydropower and its potential contribution to achieving sustainable development goals, we firmly believe that there is a need to develop hydropower that is economically, socially and environmentally sustainable.

19. Having shared perspectives, experiences and best practices from all regions of the world, we invite Governments, United Nations agencies and other international organizations, international industry associations, non-governmental organizations, the private sector and civil society to further address the issue of hydropower and sustainable development in appropriate forums, including through regional meetings, in Africa in particular.

20. We invite Governments, United Nations agencies and other international organizations, non-governmental organizations, the private sector, international industry associations and civil society to report back to the Commission on Sustainable Development in 2006 on their actions in the sustainable development of hydropower.

21. We express our gratitude to the Government of the People's Republic of China for successfully organizing the Symposium and to the Government and people of the People's Republic of China for the hospitality and warm welcome extended to all participants. We pledge to work in determined and concerted action to ensure that

sustainable hydropower is harnessed for poverty reduction and for the achievement of the Millennium Development Goals and Johannesburg Plan of Implementation targets and commitments.

Beijing, 29 October 2004